

Message Text

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SUBJECT: U.S.-PANAMA TREATY NEGOTIATIONS: REPORT OF DEVELOPMENTS,
FEBRUARY 23-MARCH 1, 1975

FOR AMBASSADOR BUNKER FROM BELL

1. A WEEK'S WORTH OF SESSIONS ON CONTADORA AND IN PANAMA CITY WITH GONZALEZ-REVILLA, ESCOBAR, AND ARIAS AHUMADA HAVE SERVED THREE PURPOSES.

FIRST, WE HAVE RESOLVED A FEW MINOR NEGOTIATING PROBLEMS. FOR EXAMPLE, (A) THE WORKING GROUP ON PANAMA'S PARTICIPATION IN CANAL OPERATION CAN NOW COMMENCE (SEE SEPARATE TELEGRAM); (B) THE CLEANING UP OF THE ENGLISH AND SPANISH TEXTS OF THE SOFA HAS BEEN COMPLETED AND (C) AGREEMENT HAS BEEN REACHED THAT THE EXISTING FINANCIAL DISCRIMINATION IN FAVOR OF COLOMBIA SHOULD BE CONTINUED UNDER THE NEW TREATY AND COULD PERHAPS BE MADE EXLBNSIVE TO COSTA RICA (SEE SEPARATE TELEGRAM). WE HAVE ALSO BEGUN TO RESOLVE A FEW OTHER PROBLEMS. ONE IS THE REMOVAL FROM THE THRESHOLD AGREEMENT ON CANAL DEFENSE OF THE PANAMANINA-ORIGIN LANGUAGE INCORPORATING A GUARANTEE OF THE WATERWAY'S NEUTRALITY BY ALL NATIONS. ANOTHER IS THE HANDLING OF "RELATED ACTIVITIES" SUCH AS THE MILITARY SCHOOLS. SECOND, THE PRESENCE OF UNITED STATES NEGOTIATING REPRESENTATIVES HERE HAS ALLAYED PANAMANINA GOVERNMENT

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FEARS THAT, SOMEHOW, THE NEGOTIATIONS HAD FALLEN OFF THE TRACK.

GONZALEZ-REVILLA AND ESCOBAR SEPARATELY REPORTED THAT THE POSTPONEMENT OF YOUR VISIT HAD AN ADVERSE PSYCHOLOGICAL EFFECT ON TORRIJOS, INTENSIFIED BY SPECULATION ON TELEVISION THAT THE VISIT HAD BEEN POSTPONED INDEFINITELY. I WENT TO PANAMA CITY TO TALK WITH REPRESENTATIVES OF VARIOUS PUBLIC AND PRIVATE SECTOR GROUPS AND DID SOME REASSURING. THIRD, OVER THE WEEK IT BECAME CLEAR THAT PANAMA WILL NOT MOVE ON ANY SIGNIFICANT MATTERS, SUCH AS THE PANCANAL EMPLOYEES, UNTIL THE UNITED STATES MOVES SIGNIFICANTLY. PANAMA INSISTS THAT FOLLOWING THE FEBRUARY 1 DEMARCHE IT MADE EXTRAORDINARY EFFORTS TO NEGOTIATE QUICKLY A SOFA WHICH WAS SATISFACTORY IN EVERY IMPORTANT RESPECT TO THE UNITED STATES. MOREOVER, NEGOTIATION OF SUCH A SOFA, WITHOUT ANY EVIDENCE OF UNITED STATES FORTHCOMINGNESS AND UNDER SOME PRESSURE, WAS POLITICALLY COSTLY FOR TORRIJOS. NOW IT IS THE UNITED STATES' TURN, GONZALEZ-REVILLA EXPLAINED.

II. THE TROUBLE IS THAT WE HAVE NOTHING TO TAKE OUR TURN WITH AT THIS POINT, UNLESS YOU ARRIVE HERE IN A POSITION TO BE FORTHCOMING TO PANAMA--AT LEAST CONCEPTUALLY SO--ON THE LAND-USE ISSUE. INDEED, THE ONLY OTHER SIGNIFICANT ISSUE WE HAVE TO RAISE IS COMPENSATION AND, AS YOU KNOW FROM A PREVIOUS MESSAGE, THAT WILL HIT PANAMA LIKE A TON OF BRICKS. EVEN WITHOUT LAND-USE SIGNALS, HOWEVER, YOUR ARRIVAL HERE AS QUICKLY AS POSSIBLE IS ESSENTIAL ON GROUNDS OF PSYCHOLOGY. AND I THINK WE MIGHT SOFTEN THE BLOW ON THE COMPENSATION ISSUE MEASURABLY IF AFTER PRESENTING OUR NEW PAPER, YOU VOLUNTEERED THAT THIS ISSUE CAN BE CONSIDERED A "POLITICAL" ONE, SUSCEPTIBLE OF BEING TREATED IN THE "FINAL TRANSACTION" RATHER THAN SEPARATELY FROM IT. IN FACT, IT MAY WELL BE THAT DEFERRAL OF THE ISSUE WILL BE USEFUL TO THE UNITED STATES. IF THE PANAMANIAN ARE CROWDED WITH ISSUES TO RESOLVE AND SEE A TREATY IN SIGHT IN THE FINAL STAGES OF THE NEGOTIATION, THEY WILL BLUSTER BUT SACRIFICE ON COMPENSATION. ANOTHER IMPORTANT REASON FOR YOUR VISIT IS THAT IT WILL PERMIT SOME TIME AND TRANQUILITY IN WHICH TO SORT OUT, WITHIN THE AMERICAN TEAM, HOW TO MOVE ON LAND-USE AND, OF COURSE, ON THE DURATION AND EXPANSION ISSUES--IN SUM, TO PUT TOGETHER AS MUCH AS POSSIBLE AT THIS JUNCTURE OUR OWN IDEAS FOR THE FINAL TRANSACTION,

USING YOUR CURRENT NEGOTIATING FLEXIBILITY AND HOPES RESPECTING NEW FLEXIBILITY.

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III. AS YOU KNOW THE PRESIDENTS OF COLOMBIA, VENEZUELA AND COSTA RICA, AND POSSIBLY OTHER CENTRAL AMERICAN PRESIDENTS, ARE TO MEET HERE MARCH 23 ON A VARIETY OF MATTERS. I SOUGHT AND RECEIVED ASSURANCE FROM GONZALEZ-REVILLA THAT THIS IS NOT PLANNED AS ANOTHER SPECTACULAR CULMINATING IN SOME FORM OF CONDEMNATION OF THE UNITED STATES SIMILAR TO THE MARCH, 1973 SECURITY COUNCIL SESSIONS IN PANAMA. INDEED, GONZALEZ SAID, THE MEETING'S OVERALL PURPOSE IS TO BUILD SUPPORT FOR THE COURSE OF THE NEGOTIATION.

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